

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

ATTORNEYS AT LAW

www.pgfm.com

PLEASE RESPOND: Washington Address

Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
404 572-6600
Facsimile 404 572-6999

Sixth Floor
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202 347-0066
Facsimile 202 624-7222

(202) 624-7283 – Direct Dial

August 17, 1998

RECEIVED

AUG 17 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE CLERK

By Hand Delivery

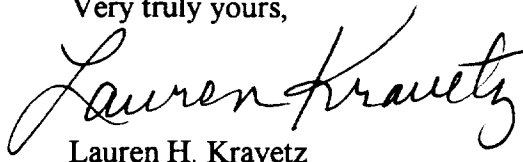
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: MM Docket No. 88-275 (Flagstaff, Arizona)

Dear Ms. Salas:

Enclosed for filing please find an original and fifteen copies of a supplement to the amendment that was filed in this docket on July 13, 1998. Please do not hesitate to contact me if you have any questions.

Very truly yours,


Lauren H. Kravetz

For Powell, Goldstein, Frazer & Murphy LLP

Enclosures

cc: Per attached Certificate of Service

::ODMA\PCDOCS\WSH\73176\1

No. of Copies rec'd
List ABCDE

0215

Section II - LEGAL QUALIFICATIONS (Page 2)

6. List the applicant, parties to the application and non-party equity owners in the applicant. Use one column for each individual or entity. Attach additional pages if necessary.

(Read carefully - The numbered items below refer to line numbers in the following table.)

a. Name and residence of the applicant and, if applicable, its officers, directors, stockholders, or partners (if other than individual also show name, address and citizenship of natural person authorized to vote the stock). List the applicant first, officers next, then directors and, thereafter, remaining stockholders and partners.

b. Citizenship.

c. Office or directorship held.

d. Number of shares or nature of partnership interests.

e. Number of votes.

f. Percentage of votes.

NOTE: Radio Applicants ONLY: Radio applicants need not respond to subparts g and h of the table. Instead, proceed and respond to Questions 7, 8 and 9, Section II below.

g. Other existing attributable interests in any broadcast station, including the nature and size of such interests.

h. All other ownership interests of 5% or more (whether or not attributable), as well as any corporate officership or directorship, in broadcast, cable, or newspaper entities in the same market or with overlapping signals in the same broadcast service, as described in 47 C.F.R. Section 73.3555 and 76.501, including the nature and size of such interests and the positions held.

a.	Rocket Radio Corp. P.O. Box 1488 Sedona, AZ 86339	John Low 393 Laguna Avenue Palo Alto, CA 94306	Caroline Wheeler 3110 Steling Avenue Palo Alto, CA 94306
b.	Arizona corporation	USA	USA
c.	--	President, Director	Treasurer
d.	--	All outstanding shares	0
e.	--	100%	0
f.	--	100%	0
g.	License of FM station KQST, Sedona, AZ	FM Station KQST, Sedona, AZ	FM Station, KQST, Sedona, AZ
h.	None	None	None

SECTION III - FINANCIAL QUALIFICATIONS

NOTE: If this application is for a change in an operating facility do not fill out this section.

1. The applicant certifies that sufficient net liquid assets are on hand or that sufficient funds are available from committed sources to construct and operate the requested facilities for three months without revenue.

☒ Yes ☐ No

2. State the total funds you estimate are necessary to construct and operate the requested facility for three months without revenue.

\$ 69,000-
150,000*

*depending on location of studio and final price of equipment

3. Identify each source of funds, including the name, address, and telephone number of the source (and a contact person if the source is an entity), the relationship (if any) of the source to the applicant, and the amount of funds to be supplied by each source.

Source of Funds (Name and Address)	Telephone Number	Relationship	Amount
John Low 393 Laguna Avenue Palo Alto, CA 94306	(520) 282-1111	President of Rocket Radio	Entire amount

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

ATTORNEYS AT LAW

www.pgfm.com

PLEASE RESPOND Washington Address

Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303
404 572-6600
Facsimile 404 572-8999

Sixth Floor
1301 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202 947-0066
Facsimile 202 624-7222

August 14, 1998

Mr. John Low
President
Rocker Radio Corp.
P.O. Box 1488
Sedona, AZ 86339

Steve Bachmann, Esq.
Counsel to Flagstaff Broadcasting Foundation
51420 Hunters Crossing Court
Granger, IN 46530-8856

Re: Second Amendment of Universal Settlement Agreement in
Flagstaff FM Proceeding

Dear Messrs. Low and Bachmann:

Pursuant to the informal comments that we have received from the FCC's Mass Media Bureau regarding the first amendment to the Settlement Agreement that was filed with the FCC in the Flagstaff FM proceeding, this letter sets forth the Second Amendment to that Agreement.

The essence of this amendment is that, in exchange for deleting the provision of the Agreement that permits FBP and Foundation to terminate the Agreement based on Rocket Radio's failure to pay, Rocket Radio agrees to place an additional \$60,000 into escrow on the signing of this amendment -- \$40,000 with FBP and \$20,000 with Foundation (This escrow, however, shall bear interest; whereas, the previous escrow is not.) This means that all but \$20,000 of the total settlement price will be held in escrow by each applicant's respective counsel before the grant of the CP. The additional escrow is presented in the amendments to Section III of the Agreement. Section IV of the Agreement also is amended to delete FBP's

and Foundation's right to seek rescission of the grant in the event that Rocket Radio fails to pay and to extend the time allotted for Commission grant of the settlement to six months from the filing of this amendment.

By the signatures below, the parties to the Settlement Agreement agree further to amend that Agreement as set forth below.

Section II, Paragraph A.3. is amended to state as follows:

Third Payment. Within five (5) days of the signing of the Second Amendment to this Agreement, Rocket Radio will deliver to FBP's counsel, Lauren H. Kravetz, at the address listed herein, a certified check for forty thousand dollars (\$40,000), made payable to Powell, Goldstein, Frazer & Murphy, LLP, Control Escrow Account. When and if circumstances require that this sum be returned to Rocket Radio, it shall be refunded with interest.

Section II, Paragraph A.4. is added to the Agreement and states as follows:

Third Payment. Within five (5) days of the signing of the Second Amendment to this Agreement, Rocket Radio will deliver to Foundation's counsel, Steve Bachmann, at the address listed herein, a certified check for twenty thousand dollars (\$20,000), made payable to Steve Bachmann, Escrow Account. When and if circumstances require that this sum be returned to Rocket Radio, it shall be refunded with interest.

Section IV, Paragraph A is amended to state as follows:

If the FCC does not approve the Joint Request and/or grant the CP to Rocket Radio, or if the FCC fails to act within six (6) months of the filing of the Second Amendment to this Agreement, FBP and Foundation shall, within five (5) days of the of these to occur, come to an agreement whereby these two parties will request that the FCC grant the CP to one of them, and shall file such amended request promptly with the FCC.

Section IV, Paragraph C is amended to state as follows:

If Rocket Radio fails to make any payment as specified herein, or if funds are not available at the time of release from escrow, Rocket Radio will be in breach of this Agreement. The parties agree that the amount of damages suffered by a party that has not received payment due hereunder shall equal the full amount remaining to be paid to that party under this Agreement, and that Rocket Radio will be liable also for the reasonable attorneys fees of a party that sues to collect such payment.

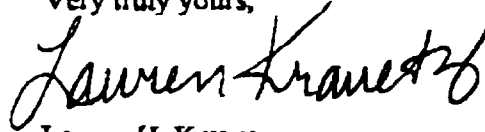
Messrs. Low and Bachmann

August 14, 1998

Page 3

Please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,



Lauren H. Kravetz

AGREED:

FLAGSTAFF BROADCASTING FOUNDATION

La Jay Brandon (S)
By: La Jay Brandon
Title: President

8.14.98
Date

ROCKET RADIO CORP.

By:
Title:

Date

FLAGSTAFF BROADCASTING PARTNERSHIP

By: Boyd W. Fellows
Title: General Partner

Date

ODMA\PCDOCS\WSH\908341

Aug-14-98 12:23 From-POWELL GOLDSTEIN FRAZER

2026247222

T-727 P.04/04 F-432

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

Messrs. Low and Bachmann
 August 14, 1998
 Page 3

Please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,

Lauren Kravetz
 Lauren H. Kravetz

AGREED

FLAGSTAFF BROADCASTING FOUNDATION

John Law
 By: _____
 Title: _____

8-16-98
 Date _____

~~ROCKET RADIO CORP.~~ For this contract will pay 40,000 TBP + 20,000 to Foundation
 once 20,000 is paid Rocket Radio will not owe any funds at all
 to Flagstaff BP or Foundation, acct will be paid in full - \$180,000 Total Contract

John Law
 By: ~~THIS SIGNATURE IS BASED UPON THE~~ Date *8-16-98*
 Title: PRESIDENT UNDERSTANDING THAT ONCE THE \$60,000 IS PAID
 THE BALANCE DUE WILL BE \$20,000. THAT \$20,000 WILL PAY THE ACCT IN FULL
 FLAGSTAFF BROADCASTING PARTNERSHIP FOR ALL PARTIES CONCERN.

By: Boyd W. Fellows
 Title: General Partner

Date _____

FROM : Boyd Fellows

Aug-14-98 13:47

PHONE NO. : 920 743 1262

From-POWELL GOLDSTEIN FRAZER

2028247222

Aug. 14 1998 01:08PM P1
T-000 P.02/02 F-796

POWELL, GOLDSTEIN, FRAZER & MURPHY LLP

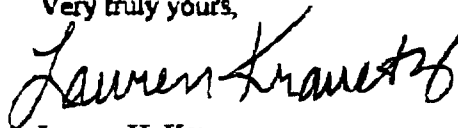
Messrs. Low and Bachmann

August 14, 1998

Page 3

Please do not hesitate to contact me if you have any questions regarding this matter.

Very truly yours,



Lauren H. Kravetz

AGREED:

FLAGSTAFF BROADCASTING FOUNDATION

By:
Title:

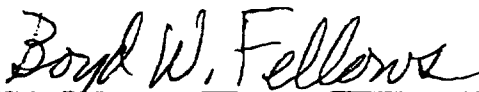
Date

ROCKET RADIO CORP.

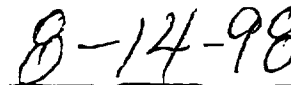
By:
Title:

Date

FLAGSTAFF BROADCASTING PARTNERSHIP



By: Boyd W. Fellows
Title: General Partner



Date

.ODMA\PCDOCS\W8H007141

CERTIFICATE OF SERVICE

I, Diane Baxtrom, a secretary in the law firm of Powell, Goldstein, Frazer & Murphy LLP, hereby certify that, on August 17, 1998, a true and correct copy of the attached supplement to the amendment filed in this proceeding on July 13, 1998 was sent to the following parties as indicated below:

By First Class U.S. Mail, Postage Prepaid:

Steve Bachmann, Esq.
51420 Hunter's Crossing Court
Granger, IN 46530-8856

Attorney for Flagstaff Broadcasting Foundation

By Hand Delivery:

Hon. Arthur I. Steinberg
Administrative Law Judge
Federal Communications Commission
2000 L Street, N.W.
Room 229
Washington, D.C. 20554

John I. Riffer, Esq.
Office of the General Counsel
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

James Shook
Mass Media Bureau
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Aug. 17, 1998
Date

Diane Baxtrom
Diane Baxtrom